

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

March 30, 2006

A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on March 30, 2006 at approximately 9:30 a.m.

Present were Board Members: Raymond Fogarty (Chair), Edward Rendine, Richard DeMerchant, and William Parsons. Absent was Board Member Maurice Paradis. Also present were: Earl Queenan, Anthony Scolavino, Claudine Tikoian, staff, Thomas V. Moses, Legal Counsel and Stephen H. Whitney, Legislative Fiscal Analyst of the Senate Fiscal Office.

Mr. Fogarty called the meeting to order at 9:30 a.m.

Adoption of Minutes

The first item to come before the Board was consideration for adoption of the Minutes of the Board Meeting held on February 23,

2006. Mr. Parsons made a motion to approve the Public and Executive Session Minutes and Mr. Rendine seconded the motion, which was unanimously passed.

Executive Minutes

The second item to come before the Board was the consideration of maintaining the Executive Session Minutes of the February 23, 2006 meeting as confidential. Mr. Parsons made a motion, Mr. Rendine seconded, and the motion passed unanimously.

Cash Position / Portfolio Activity / Delinquency Review as of February 28, 2006

Mr. Scolavino performed reviews of the Cash Position, Portfolio Activity and Watch List Reports as of February 28, 2006. He responded to questions posed by the Board concerning the Watch List. The Board did not have any questions concerning the Cash Position or Portfolio Activity Reports.

United States Economic Development Administration Compliance Update

Mr. Queenan presented a verbal update concerning the status of the SBLFC's compliance with the USEDPA. He explained that the Defense and Fisheries Funds are in compliance; the Core Fund and URI Fund are out of compliance. He then provided a handout prepared by Victor Barros, RIEDC staff, detailing the status of the Micro Business Emerging Growth Fund as of March 30, 2006. The report was

reviewed.

At this point, Messrs. DeMerchant and Moses joined the meeting.

EXECUTIVE SESSION

At 9:43 a.m. Mr. DeMerchant made a motion to move the next portion of the meeting into Executive Session pursuant to the Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended.

Mr. Parsons seconded the motion, which passed unanimously.

At this point, Mr. Whitney exited the meeting.

Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:54 a.m.

At this point, Mr. Whitney re-entered the meeting.

Executive Session Vote Ratification

The next item to come before the Board was the ratification of voting held during the Executive Session. The following Executive Session votes were presented for ratification by Mr. Fogarty:

1) Item Realty 2 LLC -- \$750,000 loan approval

- 2) Location, Inc. -- \$250,000 loan approval**
- 3) Montague, Ltd. -- \$100,000 loan approval**
- 4) Narragansett Pellet Corp. -- \$125,000 loan approval**

Mr. Rendine made a motion to ratify the aforementioned as voted during Executive Session, Mr. Parsons seconded the motion, and the motion was passed unanimously.

Upon a motion made by Mr. Parsons, and seconded by Mr. Rendine, the Board unanimously voted to adjourn. The meeting concluded at 10:57 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance